



Audit Committee

Minutes of Meeting of 20 April 2018

Attendance

Audit Committee:

Members: Mr Ambrose Loughlin, Professor Ciarán ÓhÓgartaigh, Ms Josephine Feehily, Mr John McCarthy, Ms Emma Cunningham.

Internal Audit Unit:

Mr Dermot Byrne (Head of Internal Audit), Ms Busola Laiyemo (Secretary to the Committee)

The initial part of the meeting was held in private session by members of the Committee. The Head of Internal Audit (HIA) and the Secretary to the Committee (Secretary) subsequently joined the meeting.

Declaration of Interests

Mr Loughlin declared an interest in relation to the completed terms of reference for the Audit of Litigation Arrangements and confirmed that he will not make any comments when the item is being discussed.

Mr McCarthy declared an interest in relation to the report of the Audit of General Government Debt Statistics. He confirmed that he will not make any comment, save as a witness when the item is being discussed.

Agenda Item 1 - Minutes and Action Points arising from the meeting of 26 January 2018

(i) Minutes

The minutes were discussed and approved by the Audit Committee.

(ii) Action Points

Action Point 1 The Secretary noted that DFIN HR has been asked to write a formal letter to Peoplepoint requesting a timeline for implementing an arrangement to address the C&AG findings.

Action Point 2 The Secretary confirmed that Audit Committee comments are reflected in the GDPR readiness review and a draft report is included in the papers under Agenda item 2.

Action Point 3 The Audit Committee noted OGCIÓ's commencement of arrangements for wiping and destruction of decommissioned department mobile phone handsets in December 2017. The Audit Committee requested a confirmation of whether DPER/OGCIÓ have a Civil Service wide mobile phone data retention policy in place (**Action Point 1 – HIA**). The updated Report of the Audit of IT Fixed Asset Management was approved.

Action Point 4 The Audit Committee noted that the Head of Corporate Affairs will attend the next Audit Committee meeting as requested.

Action 5	Point	The Audit Committee noted the update to the Report of the Audit of Non-ICT Business Continuity Management and approved the Final Report with Management signatures.
Action 6	Point	The Audit Committee noted that the Final 2018 Internal Audit Plan has been signed by all the relevant parties.
Action 7	Point	The Audit Committee noted that the final 2018 Audit Plan has been shared with the Department of Public Expenditure and Reform Audit Committee.

Agenda Item 2 – Internal Audit Assignments

(i) Progress of audits against Plan

The Secretary informed the Committee that fieldwork for the remaining two audits from the 2017 Audit Plan have been completed and draft reports were included in the papers for discussion in details at Agenda item 2(iv).

The Audit Committee noted the completion of the planned 360 audit days for 2017 and the progress of audits scheduled for Q1 2018 all discussed under Agenda items 2(ii), 2(iii) and 2(iv).

(ii) Completed Terms of Reference for Audits

The Audit Committee noted the terms of reference (TOR) for the Audit of Litigation Arrangements included in the Audit Committee papers. Based on Audit Committee discussion, it was agreed that fieldwork should review and document the governance arrangements in relation to the selection from the panel of legal firms when litigation services are required; the scope for a mini-competition among the firms on the panel; and the role of the State Claims Agency and the governance arrangement in relation to their handling of claims on behalf of DFIN (**Action Point 2 – Secretary**).

The auditors and audit manager assigned to the audits and the Head of Compliance joined the meeting to speak to the relevant Audit Report / Review Briefing as detailed below.

(iii) GDPR Review Briefing

The auditor briefed the Audit Committee on the progress to 10 April. She confirmed that considerable work has been done by DFIN in preparation for the 25 May 2018 effective date of the GDPR and highlighted the areas where the review identified the need for additional preparatory work and added that the Compliance Section was fully aware of the additional work required.

The Head of Compliance represented Management and provided further details of progress made by the Compliance Unit to prepare for the GDPR. He highlighted the areas for which data protection impact assessments will be required and completed before the 25 May deadline. He also noted that Statutory Instruments that reference the Data Protection Acts will be amended.

It was agreed that the readiness review should clarify the meaning of ‘consent’ as it applies to personal data held by HR in relation to employment applications and personal data contained in Parliamentary questions (**Action Point 3 – Auditor**).

(iv) Completed audits

Audit of the Award and Management of Consultancy Contracts

The Secretary outlined the audit findings on the report as well as IAU’s draft opinion. The Head of Compliance briefed the Committee on the planned action for implementing the audit recommendations and noted that these will be formally submitted to IAU before the next Audit Committee meeting.

The Committee requested that some drafting points were to be added to the report and that the updated report, including Management comments should be brought to the next Audit Committee meeting (**Action Point 4 – Auditor**).

Audit of Implementation of Compliance Framework

The Secretary noted that the Compliance Framework Area is relatively new in the Department, and that this audit is the first review of the area since its inception in 2016. The Head of Compliance outlined the operation of the Compliance Obligations framework and confirmed that implementation plans to address the audit recommendations will be provided to IAU before the next Audit Committee meeting. The Audit Committee requested that the audit report, including Management comments should be brought to the next Audit Committee meeting (**Action Point 5 – Secretary**).

Audit of General Government Debt (GGD) Statistics

The Department's Statistician joined the meeting to speak to the report. The Executive member of the Audit Committee (Mr McCarthy) who oversees this Area was a 'witness' in the discussion of this report as per earlier declaration of interest.

The Secretary outlined the background to the audit and IAU's draft opinion. The Statistician briefed the Audit Committee of the audit recommendations have already been implemented. It was agreed that drafting points should be added to the report and the updated report brought to the next Audit Committee meeting (**Action Point 6 – Auditor**).

Agenda Item 3 & 4 – Audit Committee Administration & AOB

The Secretary General joined the meeting and Mr McCarthy took his leave from the meeting at 1.30pm as previously advised. The Secretary General thanked all at the meeting for their positive contribution to the Audit Committee. It was confirmed that the terms of office for Ms Feehily and Professor ÓhÓgartaigh ends on 04 June 2018. The Secretary General thanked them for their service on the Audit Committee over the last few years and wished them well in the future. He informed the meeting of the appointment of two new non-executive members to the Audit Committee.

The Audit Committee members agreed that there was no query arising from their review of the outstanding IA Recommendations Tracker included in the Audit Committee papers. The Chairman confirmed that there was no Risk Committee update for the meeting.

The HIA informed the Audit Committee that the proposed Paperless Audit Management Software would be installed on OGCI server rather than on the cloud as previously briefed because of the potential security risks and the absence of any Government Department precedent for installing the system on the cloud.

The Chairman thanked the two outgoing Audit Committee members for their wealth of experience and positive contributions to the Audit Committee and wished them best of luck in the future.

Dates of meetings for the rest of the year are to be agreed and circulated (**Action Point 7 – Secretary**).

The meeting ended at 2.00pm.

END

Appendix

ACTION POINTS IDENTIFIED AT AUDIT COMMITTEE MEETING OF 20 APRIL 2018

No.	Action Required	By Whom	When
1	Clarification as to whether DPER/OGCIO have a Civil Service policy on mobile phone data retention policy should be obtained	HIA	Next Audit Committee meeting
2	The Audit of Litigation Arrangements should review and document the governance arrangements in relation to the selection from the panel of legal firms when litigation services are required; the scope for a mini-competition among the firms on the panel; and the role of the State Claims Agency and the governance arrangement in relation to their handling of claims on behalf of DFIN.	Secretary	Immediately
3	The GDPR review should clarify the meaning of 'consent' as it applies to personal data held by HR in relation to employment applications and personal data contained in Parliamentary questions.	Auditor	Immediately
4	The drafting points highlighted at the meeting should be added to the report of the Audit of the Award and Management of Consultancy Contracts, and the updated report, including Management comments should be brought to the next Audit Committee meeting	Auditor	Next Audit Committee meeting
5	The audit report of the Audit of the Implementation of Compliance Framework, including Management comments should be brought to the next Audit Committee meeting	Secretary	Next Audit Committee meeting
6	The drafting points highlighted at the meeting are to be added to the report on the Audit of General Government Statistics and the updated report brought to the next Audit Committee meeting	Secretary	Next Audit Committee meeting
7	Dates of meetings for the rest of the year are to be agreed and circulated to all, including the incoming Audit Committee members	Secretary	Immediately